(c) and (d) As per the existing Air Services Agreement between the two countries, designated airlines of both countries can operate 4100 seats/week in each direction with any type of aircraft. At present Thai Airways is deploying 4097 seats per week whereas Air India and Indian Airlines together are deploying 3599 seats per week on their respective routes. Air India is also considering introduction of an additional service to Tokyo *via* Bangkok.

Rate of interest in respect of Credit Cards

†*136. SHRI P.K. MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Credit Card companies/banks in the country have not reduced their rate of interest for the last several years whereas in consumer loan/personal loan/housing loan/car loan the rate of interest has been reduced upto 3 to 4 per cent in the last two-three years; and

(b) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The interest rate structure of the commercial banks has been substantially deregulated with the banks having been given the freedom to determine their lending rates on alternative forms of credit including consumer/ personal loans. Banks are free to prescribe their Prime Lending Rate (PLR), which at present is a benchmark rate, after duly taking into consideration their cost of funds, transaction costs, etc. However, interest rates on loans upto Rs. 2.00 lakh should not exceed the bank's PLR.

Overall lending rate structure has come down substantially in the last two years and continues to show a softening trend. The Prime Lending Rate of public sector banks, which were ranging between 12.0—14.0 per cent in March, 1999 and 11.75—13.0 per cent in September, 2000, softened to 10.0—13.0 per cent in March, 2001 and further to 10.0—12.5 per cent by October, 2001.

In June, 1998 the Reserve Bank of India (RBI) allowed banks freedom to undertake credit card business, either independently or in tie-up arrangement with other card issuing banks, subject to the

† Original notice of the Question was received in Hindi.

condition that the credit card business should be conducted on sound lines and with the approval of the bank's Board. As credit card is basically a payment facility and credit is unsecured and incidental, the interest rate directives of RBI on loans and advances do not apply to fees imposed on credit cards. The RBI does not regulate service charges either. Each bank makes an estimates of its costs depending upon the volume, technology adopted, facilities offered, etc. for fixing the service charges.

Nomination of Directors to banks in Maharashtra

*137. SHRI MUNAVVAR HASAN: Will the Minister of FINANCE be pleased to state:

(a) the number of recommendation letters of MPs received from 1st July, 2001 to 31st October, 2001 for nomination of Directors to the banks in Maharashtra;

(b) the details of the action taken so far on each of the letters; and

(c) by when Directors would be nominated in the banks in Maharashtra as per the request?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) During the period from 1.7.2001 to 31.10.2001 Government have received 5 such recommendations for appointment of non-official directors on the boards of public sector banks having headquarters in Maharashtra.

(b) These recommendations provide an input for selection of Directors on the boards of Public Sector Banks.

(c) Out of 36 posts of Directors in Banks having Headquarters in Maharashtra, 16 have already been filled and the rest are under process.

Spy Cameras at Airports

*138. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of CIVIL AVIATION be pleased to state:

---

† Original notice of the question was received in Hindi.